

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6211**

**BILL NUMBER:** HB 1346

**NOTE PREPARED:** Jan 24, 2005

**BILL AMENDED:**

**SUBJECT:** Deferred Compensation Plans.

**FIRST AUTHOR:** Rep. Buell

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows a political subdivision to offer to its employees both the state employees' deferred compensation plan and a deferred compensation plan that is adopted by the political subdivision and uses one or more private vendors. (The introduced version of this bill was prepared by the Pension Management Oversight Commission.)

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** If the proposal results in more local employees electing to defer their compensation or if the individual contribution limits are expanded because of the ability to contribute to additional and different types of plans, additional state income tax revenue that would have been paid on their compensation could be deferred to future years.

**Explanation of Local Expenditures:** The bill should have no impact on local expenditures. Payroll deduction is already used by local entities with third-party administration which is paid by employee earnings.

**Explanation of Local Revenues:** If the proposal results in more local employees electing to defer their compensation or if the individual contribution limits are expanded because of the ability to contribute to additional and different types of plans, additional local income tax revenue that would have been paid on their compensation could be deferred to future years. Any impact would likely be small.

**State Agencies Affected:**

**Local Agencies Affected:** Political subdivisions.

**Information Sources:** Jeffery Heinzmann, Deputy Auditor of Policy and Legal Counsel, Auditor of State's Office, 232-3300.

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